

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 TRSE-00

OMB-01 FRB-03 XMB-07 AID-20 SS-20 NSC-07 DRC-01 /120 W

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R 191445Z SEP 74

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 9691

INFO AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

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E.O. 11652 N/A

TAGS: ETRN DA

SUBJECT: CIVAIR FOREIGN GOVERNMENT SUBSIDIES TO FOREIGN AIRLINES

REF: A) STATE 162608 B) OSLO 3736 C) STOCKHOLM 3677

1. FOLLOWING IS SUPPLEMENTAL TO INFORMATION CONTAINED REFS
B AND C. DENMARK OF COURSE PARTICIPATES IN SAS AND
AVIATION POLICIES IN ALL THREE SCANDINAVIAN COUNTRIES ARE
CLOSELY COORDINATED. INFORMATION BELOW IS KEYED TO
QUESTIONS RAISED IN FIRST PARA REF A.

A. NEGATIVE

B. AS STOCKHOLM REPORTED (REF C) SCANDINAVIAN GOVTS
HAS TO ASSIST SAS IN 1961 WHEN IT WAS IN FINANCIAL NEED.
PURPOSE WAS THE FINANCING OF SEVERAL JET AIRCRAFT FOR
WHICH A LONG-TERM NON-INTEREST LOAN OF \$46 MILLION WAS
ARRANGED BY THE GOVERNMENT OF DENMARK, NORWAY AND SWEDEN
TO HELP FINANCE THE PURCHASE. PRIVATE INDUSTRIES IN THE
THREE COUNTRIES WERE TO FURNISH HALF OF THE FUNDS, BUT AT
LEAST IN THE CASE OF DENMARK. THE PRIVATE FIRMS FAILED TO

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COME UP WITH THE MONEY AND DANISH GOVERNMENT

FURNISHED ALL OF THE DANISH SHARE OF FUNDS. LOCAL PANAM REP TOLD US THAT HE HAS REASON TO BELIEVE THAT THE PUBLIC PORTIONS OF THE LOAN HAVE BEEN CONVERTED INTO A GRANT. WE HAVE NO CONFIRMATION OF THIS ALLIGATION.

C. NOT DIRECTLY. HOWEVER WHILE DENMARK DOES NOT GUARANTEE LOANS FACT THAT IT IS A MAJOR SHAREHOLDER IN SAS PROVIDES SECURITY AMOUNTING TO AN INDIRECT GUARANTEE

D. SAS APPEARS TO BE FAVORED IN SEMI-OFFICIAL TRAVEL PROMOTION AT HOME AND THROUGH DANISH DIPLOMATIC POSTS ABROAD. ONE CASE BROUGHT TO UR ATTENTION BY PANAM MAY BE INDICATIVE OF A PATTERN OF SUCH SUPPORT. A PITTSBURGH ALUMNI GROUP RECENTLY CHARTERED A PANAM FLIGHT FOR SCANDINAVIA AND ASKED FOR TRAVEL PAMPHLETS. PANAM WROTE SCANDINAVIAN TOURIST OFFICE IN NEW YORK WHO TELEPHONED RESPONSE SAYING THEIR POLICY IS TO PROVIDE TRAVEL DATA ONLY FOR SAS CHARTER GROUPS. SUBSEQUENTLY ALUMNI GROUP WROTE DIRECTLY AND RECEIVED PHAMPLETS.

E. WHILE NOT DIRECTLY RESPONSIVE TO QUESTION FOLLOWING MAY BE OF INTEREST. WE UNDERSTAND SCANDINAVIAN AUTHORITIES CONTINUE TO PERMIT REDUCED FARE FLIGHTS BETWEEN STOCKHOLM AND COPENHAGEN FOR DIRECT CONNECTION WITH SAS CHARTER FLIGHTS ORIGINATING IN COPENHAGEN. THIS PRACTICE PERMITS SAS TO LOWER ITS COSTS AGAINST OPERATING THE CHARTER FLIGHTS FROM STOCKHOLM.

F. WE UNDERSTAND THAT DANISH POSTAL AUTHORITIES PAY UPU (GOLD FRANC) RATES FOR INTERNATIONAL AIRMAIL ORIGINATING IN DENMARK.

G. NOT APPLICABLE SINCE MILITARY CARGO IS IN SIGNIFICANT.

H. ALTHOUGH SAS HAS CONTRACT FOR AIRCRAFT LOADING AND UNLOADING AT COPENHAGEN INTERNATIONAL AIRPORT, WE UNDERSTAND CHARGES ARE UNIFORM FOR ALL. LIMITED OFFICIAL USE

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I. NEGATIVE

J. NEGATIVE

K. NEGATIVE

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